



January 25, 2008

HOUSE BILL No. 1226

DIGEST OF HB 1226 (Updated January 24, 2008 8:06 am - DI 96)

Citations Affected: IC 9-13; IC 9-17; IC 9-23; noncode.

Synopsis: Motor vehicle dealers. Provides that under certain circumstances, certain motor vehicles titled outside of Indiana do not need an inspection for an Indiana title to be issued. Provides that a person who engages in the business of selling at least 12 off-road vehicles to the general public each year for delivery in Indiana must secure a dealer's license for the sale of motor vehicles from the secretary of state. Repeals language exempting a seller of off-road vehicles from the requirements of a motor vehicle dealer's license.

Effective: July 1, 2008.

Harris E, Buck

January 14, 2008, read first time and referred to Committee on Roads and Transportation.
January 24, 2008, amended, reported — Do Pass.

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HB 1226—LS 6877/DI 96+



January 25, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1226

A BILL FOR AN ACT concerning motor vehicles.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 9-13-2-42, AS AMENDED BY P.L.41-2006,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2008]: Sec. 42. (a) "Dealer" means, except as otherwise
4 provided in this section, a person who sells to the general public,
5 including a person who sells directly by the Internet or other computer
6 network, at least twelve (12) vehicles each year for delivery in Indiana.
7 **The term includes a person who sells off-road vehicles.** A dealer
8 must have an established place of business that meets the minimum
9 standards prescribed by the bureau under rules adopted under
10 IC 4-22-2.
11 (b) The term does not include the following:
12 (1) A receiver, trustee, or other person appointed by or acting
13 under the judgment or order of a court.
14 (2) A public officer while performing official duties.
15 (3) A person who is a dealer solely because of activities as a
16 transfer dealer.
17 ~~(4) A person who sells off-road vehicles.~~
18 (c) "Dealer", for purposes of IC 9-31, means a person that sells to

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the general public for delivery in Indiana at least six (6):

(1) boats; or

(2) trailers:

(A) designed and used exclusively for the transportation of watercraft; and

(B) sold in general association with the sale of watercraft; per year.

SECTION 2. IC 9-13-2-150.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 150.5. "Registered importer" has the meaning set forth in IC 9-17-2-0.5.**

SECTION 3. IC 9-17-2-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. As used in this chapter, "registered importer" means a person:**

(1) registered as an importer with the National Highway Traffic Safety Administration;

(2) that is a licensed dealer currently in good standing with the state; and

(3) that is a validated member of the United States Department of Homeland Security's Customs-Trade Partnership Against Terrorism (C-TPAT) administered by the United States Customs and Border Protection.

SECTION 4. IC 9-17-2-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 12. (a) As used in this section, "dealer" refers to a dealer that has:**

(1) been in business for not less than five (5) years; and

(2) sold not less than one hundred fifty (150) motor vehicles during the preceding year.

(b) This section does not apply to the following:

(1) A new motor vehicle or recreational vehicle sold by a dealer licensed by the state.

(2) A motor vehicle or recreational vehicle transferred or assigned on a certificate of title issued by the bureau.

(3) A motor vehicle that is registered under the International Registration Plan.

(4) A motor vehicle that is titled in a foreign country and imported by a registered importer, if:

(A) the registered importer complies with section 12.5(a) of this chapter; and

(B) section 12.5(d) of this chapter does not apply to the motor vehicle.

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(5) A motor vehicle that is titled in another state and is in the lawful possession of a financial institution, a lending institution, or an insurance company, if:

(A) the financial institution, lending institution, or insurance company complies with section 12.5(b) of this chapter; and

(B) section 12.5(d) of this chapter does not apply to the motor vehicle.

(c) An application for a certificate of title for a motor vehicle or recreational vehicle may not be accepted by the bureau unless the motor vehicle or recreational vehicle has been inspected by one (1) of the following:

(1) An employee of a dealer designated by the bureau to perform an inspection.

(2) A military policeman assigned to a military post in Indiana.

(3) A police officer.

(4) A designated employee of the bureau.

(d) A person described in subsection (c) inspecting a motor vehicle, semitrailer, or recreational vehicle shall do the following:

(1) Make a record of inspection upon the application form prepared by the bureau.

(2) Verify the facts set out in the application.

SECTION 5. IC 9-17-2-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 12.5. (a) Except as provided in subsection (d), the bureau may accept an application for a certificate of title for a motor vehicle that is titled in a foreign country and imported by a registered importer without requiring an inspection under section 12(c) of this chapter if the registered importer presents the bureau with the following documentation relating to the motor vehicle:**

(1) A copy of the registered importer's validation agreement issued by the United States Customs and Border Protection (CBP).

(2) A copy of the entry summary issued by the United States Customs and Border Protection (CBP Form 7501).

(3) A vehicle history report issued by an independent provider of vehicle history information that includes:

(A) the vehicle's title information;

(B) the vehicle's odometer readings; and

(C) the number of owners of the vehicle.

(b) Except as provided in subsection (d), the bureau may accept an application for a certificate of title for a motor vehicle that is

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1 titled in another state and is in the lawful possession of a financial
 2 institution, a lending institution, or an insurance company if the
 3 financial institution, lending institution, or insurance company
 4 presents the bureau with a vehicle history report issued by an
 5 independent provider of vehicle history information that includes:

- 6 (1) the motor vehicle's title information;
- 7 (2) the motor vehicle's odometer readings; and
- 8 (3) the number of owners of the motor vehicle.

9 (c) A:

- 10 (1) registered importer; or
- 11 (2) financial institution, lending institution, or insurance
- 12 company;

13 must maintain a copy of all documentation required by this section
 14 for at least ten (10) years.

15 (d) An inspection of a motor vehicle described in subsection (a)
 16 or (b) is required under section 12(c) of this chapter if:

- 17 (1) the registered importer; or
- 18 (2) the financial institution, lending institution, or insurance
- 19 company;

20 is unable to provide the bureau with the documentation required
 21 by this section.

22 SECTION 6. IC 9-23-2-7, AS AMENDED BY P.L.184-2007,
 23 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2008]: Sec. 7. (a) Except as provided in subsections (b)
 25 through (g), the secretary of state shall issue an offsite sales license to
 26 a dealer licensed under this chapter who submits an application for the
 27 license not later than ten (10) business days or two (2) calendar weeks
 28 before the offsite sale date. License applications under this section shall
 29 be made public upon the request of any person.

30 (b) The secretary of state may not issue an offsite sales license to a
 31 dealer who does not have an established place of business within
 32 Indiana.

33 (c) The secretary of state may not issue an offsite sales license to a
 34 licensed dealer proposing to conduct the sale outside a radius of twenty
 35 (20) miles from its established place of business. This subsection does
 36 not apply to:

- 37 (1) new manufactured housing dealers;
- 38 (2) recreational vehicle dealers; ~~or~~
- 39 (3) a rental company that is a dealer conducting a sale at a site
- 40 within twenty (20) miles of any of its company owned affiliates;
- 41 **or**
- 42 **(4) off-road vehicle dealers.**

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(d) A vehicle display is not considered an offsite sale if it is conducted by a new vehicle franchised dealer in an open area where no sales personnel and no sales material are present.

(e) The secretary of state may not issue an offsite sales license to a licensed dealer proposing to conduct the offsite sale for more than ten (10) calendar days.

(f) As used in this subsection, "executive" has the meaning set forth in IC 36-1-2-5. The secretary of state may not issue an offsite sales license to a licensed dealer if the dealer does not have authorization that the offsite sale would be in compliance with local zoning ordinances or other local ordinances. Authorization under this subsection may only be obtained from the following:

(1) If the offsite sale would be located within the corporate boundaries of a city or town, the executive of the city or town.

(2) If the offsite sale would be located outside the corporate boundaries of a city or town:

(A) except as provided in clause (B), the executive of the county; or

(B) if the city or town exercises zoning jurisdiction under IC 36-7-4-205(b) over the area where the offsite sale would be located, the executive of the city or town.

(g) The secretary of state may not issue an offsite sales license to a licensed dealer who has held more than three (3) nonconsecutive offsite sales in the year ending on the date of the offsite sale for which the current license application is being submitted.

(h) The requirements of section 2(c) of this chapter do not apply to the application or issuance of an offsite sales license under this section.

SECTION 7. IC 9-23-0.5-1 IS REPEALED [EFFECTIVE JULY 1, 2008].

SECTION 8. [EFFECTIVE JULY 1, 2008] (a) **Notwithstanding IC 9-13-2-42, as amended by this act, a person who engages in the business of selling at least twelve (12) off-road vehicles to the general public each year for delivery in Indiana whose business name begins with the letters A through L, inclusive, is not required to apply for a dealer's license under IC 9-23-2 with the bureau of motor vehicles until the month in 2009 required by IC 9-23-2-8.**

(b) This SECTION expires December 31, 2009.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1226, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning motor vehicles.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1226 as introduced.)

AUSTIN, Chair

Committee Vote: yeas 12, nays 0.

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